

# Committee on Resources

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## Statement

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**TESTIMONY OF  
ANDY SKRIP, VICE-PRESIDENT  
GREATER SCRANTON CHAMBER OF COMMERCE  
222 MULBERRY STREET  
SCRANTON, PA 18501  
TO THE  
COMMITTEE ON RESOURCES**

Good Morning - Mr. Chairman and members of the Committee on Resources

My name is Andy Skrip. I am the Vice-President for the Greater Scranton Chamber of Commerce . I am here today representing the Chamber and the Scranton Lackawanna Industrial Building Company (SLIBCO), the industrial development arm of the Greater Scranton Chamber of Commerce. I have been associated with the Chamber and SLIBCO for 20 years and have been involved with economic development for 25 years.

On behalf of the Chamber's Board of Directors and our membership consisting of over 2,600 businesses in the Greater Scranton area, I am here to share with the Committee Members mine-land reclamation problems specific to northeastern Pennsylvania.

By way of background, the Scranton Lackawanna Industrial Building Company (SLIBCO) is a not-for-profit community economic development company. Our mission is "to create and retain jobs by developing real estate and obtaining financing for business".

SLIBCO was created out of necessity when the coal industry bottomed out after World War II and post -war depression had set in on northeastern Pennsylvania. Under the SLIBCO umbrella, public and private sectors began pooling their resources to attract business to the greater Scranton area. Since SLIBCO's inception over 55 years ago, SLIBCO has been responsible for the planning, financing, and/or construction of over 287 projects creating over 25,000 new jobs and adding approximately \$423 million to the economy.

SLIBCO currently owns six buildings totaling over 1.1 million square feet and leases them to JC Penney, Prudential, Fleet Financial Services, Northrup Grumman, General Dynamics and Diversified Information Technologies. We also have developed 10 office, technology and industrial parks in Lackawanna County.

SLIBCO is also the largest developer of abandoned mine lands in Lackawanna County and has direct experience in the marketing and development of these lands.

As you are aware, the economic development in the United States is fierce. Every state and community throughout the nation are fighting for new corporate expansions and relocations - new jobs for their communities.

The marketing of lands within the mining measures as they currently exist will always place northeastern Pennsylvania at a disadvantage of attracting industry to the area when these sites are compared to other sites without similar problems.

The result of being in this disadvantage position, are loss of jobs for the community and the loss of millions of dollars invested into the state through payroll, services and operating expenditures. Our experience in Lackawanna County has borne out these observations. The Scranton labor market has been one of "persistent and substantial unemployment and underdevelopment " for decades.

The industrial sites available in the older industrial areas of Lackawanna County, situated over abandoned mines, have been available for decades but have failed to attract new investment. The successes in attracting high technology, office and growth industries have occurred primarily at greenfield sites outside of the "mining measures". These include the Northrop Grumman facility in Benton Township, Chrysalis facility Scott Township, Fleet Financial Services, Cigna and Alliance Capital at the Glenmaura Corporate Center. Prudential and JCPenny facilities at the Office Park at Montage and Met Life in Abington Executive Park.

The development of attractive business parks within abandoned mine areas has many challenges. The cost, risk, appearance, engineering challenges and time delays are all the barriers that prevent the reuse of these properties for job producing locations.

Before a company would even consider sites over mined areas, they would have to evaluate the risk. Upfront monies would have to be spent for subsurface geotechnical reports, testing and drilling. Then ultimately, if chosen to proceed to the next step, the premium cost to design and construct remedial measures such as the removal of above grade structures, the filling of mine openings and voids, grading and compaction of strip pits are all too often cost prohibitive. These additional tasks take time and money that the prospective companies are not willing to make especially if other competing sites don't require the same cash outlay and time delay.

Another major environmental and liability concern associated with these sites are the stripping pits and deep topographic depressions. These geological features were historically used as community dumping sites. Even today, illegal dumpers use these areas as dump site for all types of waste.

Land located within the mining measures have poor soil conditions and/or subsurface voids which presents a high risk of subsidence problems or differential settlement.

One of the basic rules of risk management is avoidance. Site selection teams and executives use engineering reports and common sense that ultimately forces them to eliminate abandoned mine lands because of the risk.

Coal scarred land with the existence of culm banks, red ash piles, strip pits and the lack of vegetation are contrary to the clean and sleek corporate image of the 21<sup>st</sup> century corporate America.

These lands not only bear the additional cost and risk but studies have shown direct links between employee morale and productivity relative to operating in such an unsightly environment.

Another key factor employers consider is the amount of time necessary to get the operation up and running.

The timing issue all boils down to identifying an area where the company's performance contracts can be

executed. This always requires a fast-tracked project. The major component to a fast-track project is the availability of land or buildings that already have all the necessary permits and approvals to start construction. In other words, the site must be "ready to go".

Unfortunately, prospective companies know the impacts (cost, risk, time, aesthetics and image) of developing over mining measures and automatically eliminate these sites without any consideration.

The failure to develop industrial land sufficiently attractive to induce job-producing investment by growing, technologically-competitive industries, will result in continued economic stagnation, substandard income, under employment and the continued out-migration of our young minds - our children.

The existing Abandoned Mine Land Program as authorized under Title IV of the Surface Mining Control and Reclamation Act of 1977 (SMCRA) has served our region well. Under SMCRA, the Pennsylvania Department of Environmental Protection, Bureau of Abandoned Mine Reclamation has abated many dangerous conditions such as open mine shafts and dangerous highwalls, and has regraded many acres of blackfields. Also under SMCRA, the Office of Surface Mining addresses emergency AML problems.

While SMCRA has addresses and continues to address many health, safety and environmental problems in northeastern Pennsylvania, there are two reasons why SMCRA funding alone can not address the reuse of abandoned mine lands for industrial development.

1. Under SMCRA, AML reclamation is prioritized with health and safety problems ranking highest, environmental problems ranking next, then followed by economic development. Current SMCRA guidelines limit reclamation activities at health, safety and environmental problem sites to regrading and preclude the additional compaction and subsurface stabilization required to prepare a site for industrial reuses.
2. Pennsylvania has the largest inventory of abandoned mine land problems in the country and northeastern Pennsylvania has its fair share, or unfair share, of the Commonwealth's problem areas. Given the current AML Fund appropriation levels, it will be decades, if not centuries, before AML fund monies can be expended to economic development.

In summary, if we are to realize the productive reuse of the thousands of acres of "blackfield sites" in northeastern Pennsylvania, we need the financial resources to eliminate these barriers and provide a level playing field for northeast Pennsylvania in our efforts to attract corporate expansion and relocations.

Mr. Chairman and Committee Members we need to augment SMCRA with special legislation to provide additional grant funding to grade, stabilize, compact and revegetate mined scarred land if we truly want to put these degraded and abandoned lands back to productive use.

Thank you for your time and I will be happy to assist your committee in the future.

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